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Spirit of Service 28DA

March 22, 2007

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

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RE: Docket No. T-02811B-04-0313
Decision No. 68447

Dear Sir or Madam:

On February 26, 2007, Qwest Communications Corporation (QCC) received comments from the Arizona Corporation Commission Staff in regards to QCC's Arizona Tariff No. 3 filed on February 2, 2007 in compliance with Decision No. 68447 in the above referenced Docket.

Based on discussions with Staff, QCC is filing the attached replacement pages in response to the issues outlined in their February 26, 2007 Memorandum. In addition to the attached replacement pages, the specific Staff recommendations are attached with reference to the changes made in QCC's Arizona Tariff No. 3. I have also included marked up tariff pages referencing the specific items that staff requested to be included in the tariff pursuant to the Commission's rules.

Please date stamp and return one copy of this filing in the enclosed envelope. If you have any questions concerning this matter please contact me directly.

Sincerely,

John Scott
Regulatory Support Manager
Office: 303-896-0995
E-Mail: john.t.scott@qwest.com

Attachments

cc: - Brian Bozzo - Compliance Manager

AZ CORP COMMISSION
DOCUMENT CONTROL

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February 26, 2007 Staff Recommendations:

Definition(s)

In Section 2 under "Definitions", item 2.1, on Page 2 of QCC's tariff, QCC's definition of "Customer" is different from the Commission approved definition of "Customer". The Commission's definition of "Customer" is listed in A.A.C. R14-2-501, item number 9.

Staff recommends that QCC use the same definition for "Customer" as that listed in A.A.C. R-14-2-501, item number 9. This will help to ensure that terms approved by the Commission are used in a consistent manner by all telecommunications providers in Arizona.

QCC Response: Revision incorporated in Section 2, Page 2. The language has been modified slightly in order to be gender neutral.

Deposits

In QCC's tariff under Section 2 entitled "Customer Deposits and Advance Payments", item A.1, on page 19, Staff examined the amount of deposit QCC requires from its customers. QCC's tariff states that "Any applicant or customer whose financial responsibility is not established to the satisfaction of the Company may be required to provide a deposit to the Company, pursuant to the provisions in state rules." There is no mention of deposit amounts for residential customers and non-residential customers in QCC's tariff.

According to A.A.C. rule R14-2-503 B. 6. a. and b., the amount of deposits required by the utility shall not exceed two times the residential customer's estimated average monthly bill. For a non-residential customer, deposits shall not exceed 2.5 times that customer's estimated maximum monthly bill.

Staff recommends that QCC revise the language in its tariff to match the language in R14-2-503 B. 6.a. and b. This will help ensure that all residential customers and non-residential customers pay the appropriate amount of deposit required in Arizona.

QCC Response: Revision incorporated in Section 2, Page 19. Qwest's compliance tariff did not include any services for residential customers. However, because QCC anticipates that it will file residential service tariffs at some future time, deposit language for residential customers has been included in these revised pages.

Interest on Deposits

QCC also states under Section 2 entitled "Customer Deposits and Advance Payments", item A.1, on page 19 of its tariff that "The deposit will bear interest as required by state laws or regulations". Staff was unable to locate in the tariff the amount of interest QCC will pay on customer deposits. Also, Staff was unable to locate that a tariff proceeding approving the interest rate and method of calculation was filed and approved by the Commission.

Rule A.A.C. R14-2-503 B. 3. clearly states that "Deposits shall be interest bearing; the interest rate and method of calculation shall be filed with and approved by the Commission in a tariff proceeding."

Staff recommends that QCC follow the requirements established in A.A.C. R14-2-503 B. 3. regarding the payment of interest on customer deposits. Also, Staff recommends that the amount of interest or interest rate to be paid on deposits should be listed in the tariff. This will help ensure all customer deposits are treated in a fair and equitable manner in Arizona.

QCC Response: Revision incorporated in Section 2, Page 19

Billing and Collection

Staff was not able to locate billing and collection procedures in QCC's tariff. According to A.C.C. R14-2-508, Billing and Collection, more specifically R14-2-508 C., entitled "Billing terms", each utility shall file a tariff which incorporates certain billing procedures. The billing procedures are numbered 1 through 4 within this Section of the Commission rules.

Staff recommends that QCC revise its tariff to include these billing terms and procedures. This will help to ensure that all customers in Arizona are treated with fair and consistent billing terms and procedures.

QCC Response: Revisions incorporated in Section 2, Page 18. R14-2-508.C.2 states that bills *may* (rather than *shall*) be considered delinquent 15 days after the date the bill is rendered. Qwest's tariff complies with this rule, although it provides longer period of time, i.e. 30 days, before considering bills delinquent.

Late Payment Penalty

According to QCC's tariff in Section 2 "Payments of Bills", item C.1, on page 18 "A late payment charge at the rate of 1.5% per month (unless a lower rate is prescribed by law, in which event at the highest rate allowed by law), may accrue upon any unpaid amount commencing five days after the date the payment is past due." This late payment charge or penalty statement does not agree with the language approved by the Commission in A.A.C. R14-2-508 G. 2. and 3.

Staff recommends that QCC revise its tariff to reflect the Commission approved language for late payment penalty. This will help to ensure that charges and terms for late payments are properly listed on a customer's bill and computed in a consistent and uniform manner.

QCC Response: Revision incorporated in Section 2, Page 18

2. GENERAL REGULATIONS – CONDITIONS OF OFFERING

2.1 DEFINITIONS (Cont'd)

Contributory Services

Those services that contribute towards the overall commitment but are not discountable according to the master discount schedule (ie. Qwest Total Advantage). By contributing towards the overall commitment level, these services will increase the discount level that is applied to the Discount Eligible category of services under the contract. These services will continue to receive discounts as designated in individual service contracts. Contribution levels will be based on Monthly Recurring Charges (MRCs) for these services.

CPE

Customer-Provided Equipment (CPE) Telecommunication devices, equipment, and associated wiring located on the customer's side of the protector/Standard Network Interface (SNI).

Customer

The person or entity in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of bills regularly issued in the individual's or entity's name regardless of the identity of the actual user of the service.

Deposit

Any payment held as security for future payment or performance to be returned after the customer establishes a record of satisfactory credit.

Discount Eligible Service

Discount Eligible Services contribute toward the overall commitment level (ie. Qwest Total Advantage). Discount eligible products that bill on the same billing system can aggregate towards predetermined discount levels, meaning the more spent on this common group of products, the higher the customer's discount will be. Contribution levels will be based on monthly recurring charges (MRCs), counted towards the contract commitment levels and receive term and volume discounts where applicable.

2. GENERAL REGULATIONS – CONDITIONS OF OFFERING

2.4 PAYMENT FOR SERVICE

2.4.1 CUSTOMER RESPONSIBILITY

The customer is responsible for payment of all charges for facilities and services furnished to the customer, including charges for services originated, terminated, or accepted, at such facilities.

2.4.2 PAYMENT OF BILLS

A. Charges Due

Charges for local exchange service and facilities are billed in advance. Payment is due as required by statute or state administrative rules. All bills are payable by any means mutually acceptable to the customer and the Company. All payments shall be made at or mailed to a Qwest payment office, or to a duly authorized Qwest representative. Failure to receive a bill does not exempt the customer from prompt payment of their account. The customer is held responsible for all charges for local exchange service and facilities furnished at the customer's request.

The Company shall utilize credit policies and reasonable and equitable methods in its debt collection practices as specified by state and federal government regulations.

The billing date shall be printed on each bill and the date rendered shall be the mailing date. A bill shall be considered delinquent 30 days after the date the bill is rendered. Delinquent accounts for which payment has not been received may be terminated 22 days after the date the bill is rendered, subject to the notice requirements specified in D., following.

B. Returned Payment Charge

A returned payment charge in the amount of \$25.00, or a lesser amount as permitted by state rule or law, may apply to the customer's account for each occasion that a check, bank draft, or an electronic funds transfer item is returned to the Company for the reason for insufficient funds or no account.

C. Late Payment Charge

1. Billing will be payable upon receipt. Amounts not paid within 30 days after the invoice is rendered will be considered past due. A late payment charge at the rate of 1.50% per month may accrue upon any unpaid amount commencing five days after the date the payment is past due. The amount of the late payment charge shall be indicated on the customer's bill.
2. Collection procedures, temporary disconnection of service, and the requirements for deposit are unaffected by the application of a late payment charge.

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2. GENERAL REGULATIONS – CONDITIONS OF OFFERING

2.4 PAYMENT FOR SERVICE

2.4.2 PAYMENT OF BILLS (Cont'd)

D. Notice of Suspension

In the event it becomes necessary for service to be discontinued to a customer for nonpayment, a written notice will be given advising the customer of the amount due and the date by which the same must be paid. If the customer fails to pay or make suitable arrangements for payment by said due date, the Company may suspend the service or discontinue the service and remove any or all of its equipment from the customer's premises.

E. Duplicate Bill Charge

In the event a customer requests a reprint of a monthly bill that is greater than six months old, a duplicate bill charge may apply.

	MAXIMUM CHARGE	CURRENT CHARGE
• Business, per account		
- Reprint on paper, per bill	\$10.00	\$5.00

2.4.3 CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A. Deposits From Applicants For Service and Present Customers

1. Any applicant or customer whose financial responsibility is not established to the satisfaction of the Company may be required to provide a deposit to the Company, pursuant to the provisions in state rule, R14-1-503 B. Nonresidential customer deposits shall not exceed 2 ½ times that customer's estimated maximum monthly bill. Residential customer deposits shall not exceed 2 times the customer's estimated average monthly bill. The deposit will bear simple interest, at the rate of 3% per annum.
2. The payment of a deposit shall in no way relieve the applicant or customer from complying with the Tariff rules and regulations for the prompt payment of bills on presentation.

B. Advance Payment

To safeguard its interests, the Company may require the customer to make an advance payment before services and facilities are furnished. The amount of the advance payment will be determined on a case by case basis and will conform to applicable commission regulations.